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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

- against -

MARTIN ADRIAN RUIZ, RAM FUND, LP, and
CARTER BAIN WEALTH MANAGEMENT, LLC,

Defendants, and

ROTHSCHILD MAGNUS FUND, LP, ISG CAPITAL
LLC, and MISTER FARMS, LLC,

Relief Defendants.

**21-cv-6622 (LJL)
ECF CASE**

**NOTICE OF STATUS OF
SERVICE ON DEFENDANTS
AND UPDATED
INFORMATION AS TO
PLAINTIFF SECURITIES AND
EXCHANGE COMMISSION'S
MEMORANDUM IN SUPPORT
OF ITS *EX PARTE*
EMERGENCY APPLICATION**

Plaintiff United States Securities and Exchange Commission ("SEC") respectfully submits this notice of the status of service on Defendants and Relief Defendants and updated information regarding its Memorandum in Support of Its *Ex Parte* Emergency Application for an Order to Show Cause, For a Temporary Restraining Order, For an Asset Freeze, and Other Relief ("Memorandum") filed on August 6, 2021 (ECF No. 10).

I. Status on Service of Defendants

The day the Court signed the order unsealing this case, August 12, 2021, the SEC served Defendant Martin Ruiz, who is also the principal of the five entity Defendants and Relief Defendants, via email with the court filings and the Court’s Temporary Restraining Order Freezing Assets and Providing for Other Ancillary Relief, and Order Setting Preliminary Injunction Hearing (“TRO Order”).¹ The TRO Order specifically permitted alternative service, including via email. (TRO Order at 13, §VII, ECF No. 37). The SEC served written discovery on all Defendants and Relief Defendants on August 13, 2021, via email to Ruiz. The email used was the same email address that Ruiz successfully used to communicate with the SEC during its investigation and no email delivery system failure notifications were received in response to those emails.²

On August 16, the SEC left a voicemail for and emailed Ruiz’s criminal federal defender asking if Ruize had retained counsel in this matter, to inform her of the TRO Order, hearing set for Friday, August 20, and other deadlines, and asked her to communicate this information to her client. She responded that day by saying she would ask her client and let us know, but we have not heard back from her.

¹ That same day the United States Attorney’s Office for the Southern District of New York arrested Ruiz in connection with a related criminal action, *USA v. Martin Ruiz*, 21-mj-07926-UA. He was released on bond later that day.

² The TRO Order required Defendants to serve the SEC with opposing papers in response to the Order to Show Cause by August 16 (TRO Order at 14, §9). It also required Defendants and Relief Defendants to have responded to discovery by August 16 (*id.* at 11-13, §6) and to file a sworn accounting by August 19 (*id.* at 10, §5). To date, no Defendant has filed or served any papers on the SEC.

The SEC has had process servers attempt personal service at Ruiz's two addresses in New York since August 16, but they have not been successful.

The SEC served the registered agents for the two entity Defendants, RAM Fund, LP and Carter Bain Wealth Management, LLC, and two of the three entity Relief Defendants, Rothschild Magnus Fund, LP and ISG Capital, LLC, on August 17. The registered agent for the third entity Relief Defendant, Mister Farms, LLC, was served on August 18.

On August 17, the SEC overnighted packages containing the court filings, TRO Order, and discovery to the same two addresses in New York. But no one has answered the couriers at those addresses to sign for the packages.

On August 18, 2021, the undersigned and SEC counsel, Steve McKenna, called Ruiz at a phone number the SEC had used to successfully speak with Ruiz in June, and left a message relaying the same information provided to Ruiz's criminal counsel. The undersigned also asked if Ruiz had retained counsel to represent him in this matter and invited him to contact me and left my phone number.

To date the SEC has not received any response from Ruiz or any of the other Defendants or Relief Defendants.

II. Notice of Updated Information Regarding the SEC's Memorandum

The SEC also hereby provides the Court with updated information the SEC has received regarding a statement in its Memorandum. On page 6 of the Memorandum, the SEC wrote, "Ruiz made payments for personal expenses such as . . . over \$3 million for credit card payments including, among other things, \$1 million to a credit card that appears to be in his ex-wife's name"

The bases for this statement were bank account records in the name of Martin Ruiz d/b/a ISG Capital that showed payments from that account with notations stating, “[Card issuer] DES:ACH PMT . . . INDN: [Name of Ruiz’s ex-wife].” We understand that INDN indicates the name of the individual receiving payment. Since filing this matter, the SEC received a response to an investigative subpoena to the card issuer, which was issued before this matter was filed. The card issuer informed the SEC that, as to the specific few bank payment transactions about which the SEC had inquired, the credit card account was not in the name of Ruiz’s ex-wife. The Card issuer, however, could not search by Ruiz’s ex-wife’s name to determine whether there was any credit card in her name.

None of this information is inconsistent with the SEC’s Memorandum or changes any relief sought, but, in light of the *ex parte* nature of the SEC’s motion, the SEC provides this information to the Court.

III. The SEC Will Ask the Court to Enter a Preliminary Injunction at the Show Cause Hearing

The TRO Order set an Order to Show Cause hearing for August 20, 2021, at 12:00 p.m. for “why this Court should not enter a preliminary injunction extending the asset freeze and other ancillary relief entered in this Order until final adjudication of this case on the merits.” (TRO Order at 13.) The SEC will ask the Court to enter a preliminary injunction at the Show Cause hearing and will submit a proposed preliminary injunction order at the Court’s request.

Dated: August 18, 2021

s/Kenneth E. Stalzer

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